

**Before the
Public Service Commission of South Carolina
Docket No. 2014-4-G**

**Annual Review of Purchased Gas Adjustment and Gas Purchasing Policies
of
Piedmont Natural Gas Company, Inc.**

**Settlement Testimony
of
Robert L. Thornton**

**On Behalf Of
Piedmont Natural Gas Company, Inc.**



July 1, 2014

1 **Q. Mr. Thornton, please state your name, business address, and**
2 **occupation.**

3 A. My name is Robert L. Thornton. My business address is 4720 Piedmont
4 Row Drive, Charlotte, North Carolina. I am the Managing Director of Gas
5 and Regulatory Accounting for Piedmont Natural Gas Company
6 (“Piedmont” or the “Company”).

7 **Q. Are you the same Robert L. Thornton who prefiled direct testimony in**
8 **this docket on June 4, 2014 and who prefiled supplemental and rebuttal**
9 **testimony on June 25, 2014?**

10 A. Yes, I am.

11 **Q. Mr. Thornton, have you previously testified before this Commission or**
12 **any other regulatory authority?**

13 A. Yes, I have previously testified before this Commission and other regulatory
14 authorities on a number of occasions.

15 **Q. What is the purpose of your settlement testimony in this proceeding?**

16 A. I will discuss and offer testimony in support of the Settlement Agreement
17 reached by the parties of record (“Parties”) in the Annual Review of
18 Piedmont’s Purchased Gas Adjustment and Gas Purchasing Policies of
19 Piedmont.

20 **Q. Please describe the Settlement Agreement reached by the Parties and**
21 **filed with the Commission on July 1, 2014.**

22 A. The Settlement Agreement affirms the Parties concurrence that:

1) Piedmont's gas purchasing policies and practices during the Review Period were reasonable and prudent;

2) Piedmont properly adhered to the gas cost recovery provisions of its gas tariff and relevant Commission Orders during the Review Period, with the exception of certain curtailment billings as discussed in my supplemental testimony;

3) Piedmont managed its hedging program during the Review Period in a reasonable and prudent manner consistent with Commission Orders; and

4) The end-of-period balances for Piedmont's hedging and deferred gas cost accounts are those reflected in my prefiled direct testimony with the exception of any adjustment(s) related to the curtailment billing matter discussed in my supplemental testimony.

Q. Is it the opinion of Piedmont that the Commission's approval of the Settlement Agreement is in the interest of Piedmont and the public interest?

A. Yes. Following extensive review, examination, and discussions between Piedmont and the ORS, both Parties agreed to each of the matters stipulated above. The Settlement is offered by all Parties as a fair, reasonable and full resolution of all issues in this proceeding as signified by all parties being signatories to the Settlement Agreement. Piedmont believes that the Settlement Agreement reached by the Parties in this docket balances the concerns of the using and consuming public while preserving the financial integrity of Piedmont and that the Settlement Agreement does not inhibit

1 economic development.

2 **Q. What is your recommendation to the Commission with respect to the**
3 **Settlement Agreement?**

4 A. Piedmont recommends that the Commission approve the Settlement
5 Agreement as filed in this proceeding.

6 **Q. Does this conclude your testimony?**

7 A. Yes it does.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the attached document is being served this date via email and UPS Overnight (via email and U.P.S. Overnight) upon:

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And that a copy of the attached document is being served this date via email upon:

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This the 1st day of July 2014.

s/ James H. Jeffries IV
James H. Jeffries IV